

ORDER NO. 2322

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Acting Chairman;
Tony Hammond, Vice Chairman;
Mark Acton;
Ruth Y. Goldway; and
Nanci E. Langley

Removal of Return Receipt for
Merchandise Service from the
Mail Classification Schedule

Docket No. MC2015-8

ORDER CONDITIONALLY APPROVING REMOVAL OF
RETURN RECEIPT FOR MERCHANDISE SERVICE
FROM MAIL CLASSIFICATION SCHEDULE

(Issued January 15, 2015)

I. INTRODUCTION

On November 17, 2014, the Postal Service filed a request pursuant to 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30 *et seq.*, to remove Return Receipt for Merchandise (RRM) Service from the Special Services product of the Mail Classification Schedule (MCS).¹ For the reasons discussed below, the Commission approves the Request

¹ Request of the United States Postal Service to Remove Return Receipt for Merchandise Service from the Mail Classification Schedule, November 17, 2014 (Request).

subject to adjustments to the unused rate adjustment authority for the Special Services Class under 39 U.S.C. § 3622(d)(2)(C) and 39 C.F.R. § 3010 subpart C.

II. BACKGROUND

Request. The Postal Service describes RRM Service as one that provides retail and commercial mailers with the ability to obtain a mailing receipt and a physical return receipt postcard for packages containing merchandise. *Id.* at 2. The return receipt postcard includes the recipient's signature and date of delivery. *Id.* The Postal Service argues that RRM Service is an outdated service because it does not provide mailers with the ability to track packages online and that there are alternative Ancillary Services that provide overlapping or improved features compared to RRM Service. *Id.* The Postal Service indicates that Signature Confirmation and Certified Mail (with Return Receipt) are both available alternatives to RRM Service. *Id.* Attachment B at 3. The Postal Service links the decline in volumes and revenue of RRM Service to its outdated characteristics. Request at 2-3. It states that removal would improve customer satisfaction by requiring customers to adopt one of the alternative services that provide either overlapping or improved features. *Id.* at 3.

To support its Request, the Postal Service filed a copy of the Governors' Resolution authorizing the removal of RRM Service (Attachment A), a Statement of Supporting Justification (Attachment B), and proposed changes to the MCS (Attachment C).

Procedural history. On November 19, 2014, the Commission issued an order establishing the instant docket, appointing a Public Representative, and providing interested persons with an opportunity to comment.²

² Order No. 2254, Notice and Order Concerning Removal of Return Receipt for Merchandise Service from the Mail Classification Schedule, November 19, 2014. The Commission extended the comment deadline to provide due process to all parties. See Order Extending Deadline for Comments, December 4, 2014, at 2.

On December 3, 2014, CHIR No. 1 was issued to obtain additional information on the basic characteristics of RRM Service, Signature Confirmation, and Certified Mail (with Return Receipt), as well as information on adjustments to billing determinants pursuant to 39 C.F.R. § 3010.23(d).^{3 4} On December 10, 2014, the Postal Service filed its response to CHIR No. 1.⁵

Response to CHIR No. 1. In its Response to CHIR No. 1, the Postal Service confirms some basic characteristics of RRM Service and describes the basic characteristics of the two other services it considers alternatives to RRM Service: Signature Confirmation and Certified Mail (with Return Receipt). The Postal Service explains that RRM Service includes a mailing receipt, as well as a physical postcard showing the recipient's signature as proof of delivery. Response to CHIR No. 1, questions 1.a., 1.b. In contrast, the Postal Service notes that Signature Confirmation provides proof of delivery and a copy of the recipient's signature electronically, when requested, at USPS.com. *Id.* question 1.c. The Postal Service states that Certified Mail, by itself, provides the mailer with a mailing receipt, but mailers may request electronic verification that the mailpiece was delivered at USPS.com or may purchase a return receipt postcard for an additional fee. *Id.*

In addition, the Postal Service provides information on adjustments to billing determinants related to the removal of RRM Service, pursuant to 39 C.F.R. § 3010.23(d). *Id.* question 2.a. The Postal Service confirms that 39 C.F.R. § 3010.23(d)(4) does not apply as an alternative rate cell exists.⁶ It also discusses the applicable Consumer Price Index All Urban (CPI-U) price cap, unused price adjustment

³ Chairman's Information Request No. 1, December 3, 2014 (CHIR No.1).

⁴ Rule 3010.23(d) governs permissible adjustments and how adjustments are calculated when there is a deletion of a rate cell and no alternative rate cell is available.

⁵ Response of the United States Postal Service to Chairman's Information Request No. 1, December 10, 2014 (Response to CHIR No. 1).

⁶ *Id.* question 2.b. Rule 3010.23(d)(4) deals with the calculation of a rate adjustment when there is a deletion of a rate cell and no alternate rate cell exists.

authority available for Special Services, the percentage change in price for Special Services, and the new unused price adjustment authority generated by the price change, pursuant to 39 C.F.R. § 3010.12(b). *Id.* question 2.c.

III. COMMENTS

On December 11, 2015, the Public Representative and David B. Popkin filed comments.⁷ Reply Comments were filed by the Postal Service.⁸

PR Comments. The Public Representative argues that the Commission should deny the Request as filed and order the Postal Service to refile the Request in a rate adjustment docket. *Id.* at 2, 4. She concludes that the removal not only amounts to a price increase for current RRM Service customers, but would also leave some customers with no alternative service. *Id.* at 2. She contends that the Postal Service did not follow the proper procedures for filing a rate adjustment and that it failed to sufficiently describe how the benefits of the removal outweigh the potential harm to customers. *Id.*; see also 39 C.F.R. § 3020.32.

The Public Representative states that the removal of RRM Service will have a negative impact on customer satisfaction because, given the two alternative services, customers would be forced to choose “between higher prices or lesser service.” *Id.* at 2-3. She indicates that customers who do not have broadband Internet access or do not utilize certain specific classes of mail⁹ and prefer a physical return receipt for their records will be disadvantaged should RRM Service be removed. In addition, she

⁷ Public Representative Comments on Postal Service Request to Remove Return Receipt for Merchandise Service from the Mail Classification Schedule, December 11, 2014 (PR Comments); Comments of David B. Popkin, December 11, 2014 (Popkin Comments).

⁸ Reply Comments of the United States Postal Service, December 17, 2014 (Postal Service Reply Comments). The Postal Service’s Reply Comments were accompanied by a motion for leave to file reply comments. See Motion of the United States Postal Service for Leave to File Reply Comments, December 17, 2014 (Postal Service Motion). The Postal Service Motion is granted.

⁹ Certified Mail is only available for First-Class Mail, First-Class Package Service, and Priority Mail. *Id.* at 3; see also Request, Attachment B at 3, n.3.

argues that the alleged decline in volume and revenue could have been caused by the Postal Service's migration of RRM Service customers to Signature Confirmation. PR Comments at 3; see *also* Request, Attachment B at 3, n.2.

The Public Representative asserts that a denial of the Request is consistent with Order No. 1661.¹⁰ She notes that in Order No. 1661, the Commission denied the Postal Service's minor classification change because it found that the proposal represented a rate change. See *generally*, Order No. 1661. She also believes that the instant docket is similar to Docket No. R2013-10, in which a Postal Service's proposal resulted in the deletion of rate cells and the Commission directed the Postal Service to account for price cap implications.¹¹

Popkin Comments. Popkin objects to the removal and argues that RRM Service should be retained because customers who need an actual signature hardcopy as opposed to an electronic copy would be obliged to purchase the Certified Mail option at an increased cost. Popkin Comments at 1-2. He also contends that often the Postal Service delivers an RRM mailpiece without obtaining a delivery signature and that, because there is a hardcopy form, the mailpiece recipients are able to complete the form and send it to the mailer as proof of delivery. *Id.* at 1.

Postal Service Reply Comments. In its reply comments, the Postal Service disagrees with the Public Representative's assertion that the proposed removal of RRM Service is a rate change and thus subject to the price cap. Postal Service Reply Comments at 1-2. The Postal Service argues that it is not changing the rates of RRM Service, a proposal that would fall under 39 U.S.C. § 3622(d)(1) and 39 C.F.R. part 3010, but instead is removing the service altogether, constituting a change to the MCS under 39 U.S.C. § 3642 and 39 C.F.R. part 3020. *Id.* at 2.

¹⁰ See Docket No. MC2013-30, Order Denying Minor Classification Change Concerning First-Class Mail Single-Piece Residual Price Table, February 15, 2013 (Order No. 1661).

¹¹ See Docket No. R2013-10, Order on Price Adjustments for Market Dominant Products and Related Mail Classification Changes, November 21, 2013, at 14, 31-33 (Order No. 1890).

The Postal Service attempts to distinguish the instant docket from those discussed by the Public Representative by arguing that the Commission precedent established in those dockets does not apply in this instance. *Id.* at 2-3. It asserts that the Commission's order in Docket No. MC2013-30 is inapplicable because it involved the addition of language to a price table, which altered rates. Similarly, it argues that the Commission's order in Docket No. R2013-10 involved a change to the preparation requirements for using a service, rather than the removal of an entire service which is at issue in this case. *Id.*

The Postal Service believes that no rates are being adjusted and that while the Commission retains the power to evaluate the adequacy of alternative services, and the benefits of eliminating an outdated service, pursuant to 39 U.S.C. §§ 3622(b), 3622(c), and 3642, the price cap is not a standard that applies to this Request.¹²

IV. COMMISSION ANALYSIS

The Request was filed pursuant to 39 U.S.C. § 3642 and 39 C.F.R. § 3020.30 *et seq.*, which applies to product list changes initiated by the Postal Service. However, as discussed in more detail below, the Postal Service's Request presents an additional issue: whether the removal of RRM Service is a rate adjustment and thus subject to the statutory and regulatory requirements of 39 U.S.C. 3622(d)(1)(A), (d)(2)(C) and 39 C.F.R. 3010 subpart C. Therefore, the Commission finds it necessary to review the Request's compliance with the statute and regulations governing rate adjustments¹³ as well as the rules governing changes to the MCS.

¹² While the Postal Service provides information pursuant to 39 C.F.R. part 3010 regarding rate adjustments in its Response to CHIR No. 1, it does not concede that the removal of RRM Service qualifies as a rate adjustment and argues that 39 C.F.R. part 3010 does not apply. *Id.* at 3-4.

¹³ See 39 U.S.C. §§ 3622(d)(1)(A), (d)(2)(C); 39 C.F.R. part 3010.

A. Rate Adjustment Analysis

1. Removal of RRM Service as a Rate Adjustment.

The Public Representative argues that the removal of RRM Service is subject to the rules governing rate adjustments since it would result in a rate increase for customers who wish to continue to receive identical services. PR Comments at 4. She argues that the removal in this case is similar to the change made in Docket No. R2013-10, where the Commission found that the Postal Service's proposal to require a Full Service Intelligent Mail barcode (IMb) resulted in the deletion of rate cells because non-Full Service IMb rates were no longer available and, as a result, directed the Postal Service to account for the price cap implications of the change. *Id.* at 4, n.4.

The Postal Service argues that the removal of RRM Service does not constitute a rate adjustment under the statute or applicable regulations, and that RRM Service rates would not increase, but would be discontinued entirely. Postal Service Reply Comments at 2. It disagrees with the Public Representative comparison of the instant docket to Docket No. R2013-10 because "this case does not involve a change to the preparation requirements of using a given service." *Id.* at 3.

As the Commission discussed in Order No. 1890, 39 U.S.C. § 3622 establishes a discrete set of requirements for the modern system of rate regulation that the Commission was tasked with implementing under the Postal Accountability and Enhancement Act. Order No. 1890 at 15-16. Chief among these is the requirement to establish "an annual limitation on the percentage change in rates to be set by the Postal Regulatory Commission" that is based on the change in the CPI-U over the most recent 12-month period. *Id.* at 16; see also 39 U.S.C. § 3622(d)(1)(A). *Id.* This limitation (together with the provision allowing the Postal Service to use a certain amount of unused or "banked" rate adjustment authority) under 39 U.S.C. § 3622(d)(2)(C) is commonly referred to as "the price cap." Order No. 1890 at 16.

39 U.S.C. §§ 3622(d)(1)(A) and 3622(d)(2)(C) do not specify the manner in which “the annual limitation on the percentage change in rates” is to be calculated, and do not further define the term “change in rates.” Rather, the statute provides that the annual limitation on the percentage change in rates is “to be set by the Postal Regulatory Commission.” 39 U.S.C. § 3622(d)(1)(A). This is consistent with 39 U.S.C. § 3622(a), which requires that the Commission “by regulation establish... a modern system for regulating rates and classes for market-dominant products.” 39 U.S.C. § 3622(a). The responsibility for setting an annual limitation on the percentage change in rates resides with the Commission.¹⁴ Ensuring the Postal Service does not exceed the annual limitation is likewise fundamental to the Commission’s exercise of that statutory responsibility.¹⁵

The Commission’s rules require the Postal Service to include the effects of classification changes that result in the redefinition or deletion of rate cells in its calculation of the percentage change in rates. Rule 3010.23(d)(2) requires that in calculating the percentage change in rates, “[t]he Postal Service shall make reasonable adjustments to the billing determinants to account for the effects of classification changes such as the introduction, deletion, or redefinition of rate cells.” 39 C.F.R. § 3010.23(d)(2). In a similar situation regarding a Postal Service request, the Commission provided additional detail as to when the Postal Service needs to make adjustments to the price cap calculation when classification changes are made under this rule. In Docket No. R2013-10, the Postal Service sought to require certain types of mail to bear Full Service IMb and it argued that the requirement did not change any rates, therefore the rules governing rate adjustments did not apply. Order No. 1890 at 11-12. In Order No. 1890, the Commission concluded that the Full Service IMb

¹⁴ See *U.S. Postal Service v. Postal Regulatory Commission*, 717 F.3d 209, 210 (D.C. Cir. 2013) (“[T]he Commission regulates the rates that the Postal Service may charge for mail.”).

¹⁵ See Docket No. RM2009-3, Order Adopting Analytical Principles Regarding Workshare Discount Methodology, September 14, 2010, at 16 (Order No. 536) (describing the Commission’s responsibility for enforcing the “clear ‘out-of-bounds’ lines drawn by the PAEA,” including the price cap).

requirements should be characterized as a deletion or redefinition of a rate cell under rule 3010.23(d)(2) because, following implementation, the non-Full Service IMb automation rates would no longer be available to mailers using the prior mail preparation requirements. Instead, the Commission found that the new mail preparation requirements redefine rate cells because they require mailers to alter a “basic characteristic” of a mailing in order for the mailing to qualify for the same rate category for which it was eligible before the change in requirements. *Id.* at 14. As a result, the deletion was “a classification change with rate effects that must be recognized in calculating whether the proposed changes in rates comply with the annual limitation established in 39 U.S.C. § 3622(d)(1)(A).” *Id.* at 15.

The Commission agrees with the Public Representative that the instant docket is analogous to the circumstances in Docket No. R2013-10, in that the removal of RRM Service from the MCS would result in the deletion of its rate cell. The Postal Service describes two alternatives to RRM Service. However, Certified Mail (with Return Receipt) is the only alternative option with “basic characteristics” that closely mirror RRM Service’s basic characteristics. This makes it the only reasonable substitute. Specifically, the key characteristic of RRM Service is the physical mailing of a receipt postcard, which the Postal Service notes in its Response to CHIR No. 1. See Response to CHIR No. 1, question 1.d. Signature Confirmation does not offer this physical mailing of a receipt postcard. Should the removal of RRM Service occur, customers seeking that basic characteristic would need to purchase Certified Mail (with Return Receipt), paying higher rates to receive a physical mailing of a receipt postcard than they currently pay for RRM Service. This is a rate increase for these customers. Thus, similar to its finding in Docket No. R2013-10, the Commission finds that the proposed removal of RRM Service and the corresponding deletion of its rate cell is a classification change with a rate impact. Therefore, the rate adjustment must comply with 39 U.S.C. § 3622(d)(1)(A) and 39 C.F.R. 3010 subpart C.

The Commission’s new rule 3010.23(d)(4) is consistent with this interpretation of rule 3010.23(d)(2). Rule 3010.23(d)(4) states that “[f]or an adjustment accounting for

the effects of the deletion of a rate cell when an alternate rate cell is not available, the Postal Service should adjust the billing determinants associated with the rate cell to zero.” 39 C.F.R. § 3010.23(d)(4). When no alternative service is available, the mail previously sent using the eliminated rate can no longer be sent. Thus, the volume becomes zero in the calculation pursuant to rule 3010.24(d)(4). However, where there is an alternative service, the mail will shift from the eliminated rate to the alternative service. Thus, the volume previously related to the eliminated rate should be moved to the alternative service rate cell pursuant to rule 3010.23(d)(2).

In this case, the Postal Service concedes in its Response to CHIR No. 1 that, under rule 3010.23(d), there is an alternative service (Certified Mail (with Return Receipt)) to RRM Service. Thus, an alternative rate cell for RRM Service mailers exists, and rule 3010.23(d)(4) does not apply to this situation. However, since rule 3010.23(d)(4) does not apply here and because an alternative rate cell exists, rule 3010.23(d)(2) must apply in order to harmonize (d)(2) and (d)(4) in the regulatory scheme. Thus, billing adjustments must be made in this case pursuant to rule 3010.23(d)(2).

The fact that the Postal Service proposes to discontinue the RRM Service in its entirety is immaterial to this analysis. Rule 3010.23 does not distinguish between the deletion of an entire service or the deletion of a subpart of that service. It contemplates application in the event of any “deletion” of a rate cell. If the deletion of a rate cell does not have an alternative, rule 3010.23(d)(4) applies. On the other hand, if the deletion of a rate cell does have an alternative (even if that alternative exists on the competitive product list), rule 3010.23(d)(2) applies. As the Commission noted in Order No. 2086¹⁶ promulgating rule 3010.23(d)(4), even “[i]f alternate rate cells are available for a rate cell deleted due to the transfer of a product to the competitive product list, the Commission expects the Postal Service to use those alternate rate cells to make reasonable

¹⁶ Docket No. RM2014-3, Order Adopting Final Rules on the Treatment of Rate Incentives and De Minimis Rate Increases for Price Cap Purposes, June 3, 2014 (Order No. 2086).

adjustments to its billing determinants instead of adjusting the billing determinants to zero.” Order No. 2086 at 31.

2. Calculation of Price Cap Implications.

In its Response to CHIR No. 1, and in compliance with 39 C.F.R. § 3010.12(b), the Postal Service provides information concerning the applicable CPI-U price cap, unused price adjustment authority available for Special Services, the percentage change in price for Special Services, and the new unused price adjustment authority generated by the price change. The Postal Service states that it has inflation-based price adjustment authority of 1.718 percent for Special Services.¹⁷ Response to CHIR No. 1, question 2.c. It states the existing unused price adjustment authority for Special Services is 0.00 percent and that the adjustments to billing determinants will result in a percentage increase in rates of 0.010 percent for Special Services. *Id.* Consistent with 39 C.F.R. § 3010.23(d)(1), the Postal Service uses billing determinants for the most recent 12-month period available at the time its Request was filed. The Postal Service calculates the unused price adjustment authority for Special Service generated by the instant docket would be 1.708 percent. *Id.*

¹⁷ When rate adjustments are filed more than 12 months apart, interim unused rate adjustment authority is generated. The interim unused rate adjustment authority may be used in the same case it generated. In this case, because there is no unused rate adjustment authority from prior cases, and the amount generated is less than 2 percent, the interim unused rate adjustment authority is effectively added to the full year limitation. See 39 C.F.R. §§ 3010.20 and 3010.26. The full year limitation is 1.620 percent and the interim unused rate adjusted authority is 0.098 percent. Combined, the Postal Service is eligible for a price adjustment authority of 1.718 percent.

Based on the information submitted by the Postal Service in its Response to CHIR No. 1, the Commission finds the Request and rate adjustment complies with 39 U.S.C. § 3622(d)(1)(A) and 39 C.F.R. part 3010.¹⁸

B. Removal of RRM Service from the MCS

The removal of a product from the market dominant and competitive product lists of the MCS is authorized by 39 U.S.C. § 3642. Section 3642(b)(3) requires that the Commission give due regard to three considerations concerning the availability of the product, the views of users of the product, and impact on small businesses. In addition, regulations governing Postal Service requests to modify the market dominant and competitive product lists are contained in 39 C.F.R. § 3020.30 *et seq.*, including information that must be included in the Statement of Supporting Justification.

The Postal Service addresses the three considerations in Attachment B to its Request. First, the availability and nature of enterprises in the private sector engaged in the delivery of the product is to be considered. The Postal Service states that other shipping service providers such as United Parcel Service and Federal Express, as well as the Postal Service itself, offer similar services. Request, Attachment B at 5. Second, the views of those who use the product on the appropriateness of the Postal Service's proposal are to be considered. The Postal Service does not believe that customers will oppose the removal of RRM Service because they will continue to have access to equivalent or improved features by using either Signature Confirmation or Certified Mail (with Return Receipt). *Id.* at 6. In addition, the Postal Service states it has not received

¹⁸ The Public Representative argues that, in order for the public to have an adequate opportunity to comment, the Request should be denied and the Postal Service ordered to refile the Request in a rate adjustment docket. She asserts a denial is permitted based on the Commission's action in Docket No. MC2013-30. PR Comments at 4. While the Commission may deny improperly filed classification changes that rise to the level of a rate adjustment, it finds it to be unnecessary in the instant docket. The Commission concludes that the Postal Service, through its submissions, has provided sufficient information for an analysis of the rate adjustment's compliance pursuant to applicable rules. In addition, due to the extended comment period, interested persons had more time to provide comments in the current docket than is provided under 39 C.F.R. § 3010.11(a)(5) for rate adjustment dockets.

any complaints from customers that it has migrated to Signature Confirmation. *Id.* Finally, the likely impact of the removal on small business concerns must be considered. The Postal Service indicates that the removal of RRM Service is not likely to have a material impact on small business concerns. *Id.* It states that for those small businesses that have migrated to Signature Confirmation or Certified Mail services, the Postal Service has not received any negative feedback. *Id.* Based on the information provided in Attachment B to the Request, the Commission finds the Postal Service's Request meets the applicable requirements of 39 U.S.C. § 3642.

Rule 3020.32(b) requires the Postal Service to explain why the Request is not inconsistent with 39 U.S.C. §§ 3622(b) and 3622(c). Under those objectives and factors, the Commission must consider the effect of rate increases upon the general public, as well as the available alternative means of sending and receiving letters at reasonable costs. 39 U.S.C. §§ 3622(c)(3) and 3622(c)(4). The Postal Service seeks to remove what it calls "an outdated service" and simplify product offerings that, it asserts, will improve customer satisfaction. The Public Representative asserts that the removal of RRM Service could have a negative impact on customer satisfaction and asks the Commission to consider whether the goals of the Postal Service outweigh the rate increase¹⁹ that some customers might face. Popkin is also concerned that current users of RRM Service would encounter increased costs should they continue to require or prefer physical return receipt postcards. Popkin Comments at 1.

While the commenters' position is valid, the Commission finds that the Postal Service's decision to remove a service with declining volumes and revenue²⁰ outweighs the potential harm that current customers may face. While customers may face a rate increase, the Postal Service is permitted to make rate adjustments pursuant to

¹⁹ The increase applies to those customers who will use the Certified Mail (with Return Receipt) option.

²⁰ The Public Representative's assertion that the Postal Service caused the decline in volumes and revenue of RRM service by migrating customers to Signature Confirmation is not compelling because it is unsupported by factual evidence.

39 C.F.R. 3010 subpart C as long as the Commission finds the rate adjustment to be in compliance with the applicable rules.²¹ For those reasons, the Commission finds that the Postal Service's Request meets the applicable requirements of 39 C.F.R. § 3020.30 *et seq.*

V. CONCLUSION

The Postal Service's Request to remove RRM Service from the MCS and the rate adjustment associated with the Request are approved subject to adjustments to the Special Services Class's unused rate adjustment authority under 39 U.S.C. § 3622(d)(2)(C) and 39 C.F.R. 3010 subpart C. The Postal Service may elect to move forward with the removal of RRM Service, which results in a 0.010 percent rate increase for Special Services. Following rule 3010.26, the new unused rate adjustment authority generated by this rate increase is the difference between the sum of the annual limitation and interim unused rate adjustment authority (1.718 percent) and the percentage change in rates for the class (0.010 percent), or 1.708 percent. For purposes of the next Special Service rate adjustment, the instant docket shall be considered the most recent Type 1-A rate adjustment, thus "resetting" the calculation of the annual limitation for the class.

In the alternative, the Postal Service may elect to retain RRM Service with no impact on the price cap. The Postal Service shall notify the Commission of its election no later than January 28, 2015.

²¹ Should the Postal Service choose to move forward with the removal of RRM Service, it will be required to deduct 0.010 percent from its unused price adjustment authority for Special Services. See Response to CHIR No. 1, question 2.c. When adjusting billing determinants due to the deletion of rate cell pursuant to rule 3010.23(d)(2), the deletion of the RRM Service rate cell results in a percentage increase in rates of 0.010 percent for Special Services.

VI. ORDERING PARAGRAPHS

It is ordered:

1. The Commission finds that the removal of Return Receipt for Merchandise Service represents a rate adjustment and is thus subject to the price cap.
2. Should the Postal Service elect to remove Return Receipt for Merchandise Service from the Mail Classification Schedule, the Commission approves the removal as a rate adjustment, and the new unused rate adjustment authority generated by the instant docket will be 1.708 percent. For purposes of the next Special Services rate adjustment, the instant docket shall be considered the most recent Type 1-A rate adjustment.
3. Should the Postal Service elect to retain Return Receipt for Merchandise Service, there will be no impact on the price cap.
4. The Postal Service shall notify the Commission of its election no later than January 28, 2015.
5. The revision to the Mail Classification Schedule appears below the signature of this Order and will become effective upon election by the Postal Service to remove Return Receipt for Merchandise Service from the Mail Classification Schedule.

By the Commission.

Ruth Ann Abrams
Acting Secretary

CHANGES TO THE MAIL CLASSIFICATION SCHEDULE

The following material represents a change to the Mail Classification Schedule. The Commission uses two main conventions when making changes to the Mail Classification Schedule. New text is underlined. Deleted text is struck through.

Part A—Market Dominant Products

1420 Bound Printed Matter Parcels

1420.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)

~~○ Return Receipt for Merchandise (1505.14)~~

1425 Media Mail/Library Mail

1425.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)

~~○ Return Receipt for Merchandise (1505.14)~~

1500 Special Services

1500.2 Products Included in Class

- Ancillary Services (1505)

~~○ Return Receipt for Merchandise (1505.14)~~

1505.14 Return Receipt for Merchandise

1505.14.1 Description

- a. ~~Return Receipt for Merchandise service provides mailers of Priority Mail (except Critical Mail), Standard Mail parcels, Standard Post, Package Services, Parcel Select, and Standard Post with a mailing receipt and a return receipt providing evidence that the mail has been received at the delivery address, including the recipient's signature. If the initial attempt to deliver the item is not successful, a notice of attempted delivery will be provided to the addressee.~~
- b. ~~Return Receipt for Merchandise service also supplies the mailer with the delivery address if it is different from the address used by the sender.~~
- c. ~~If the mailer does not receive a return receipt within a specified period of time from the date of mailing, the mailer may request evidence of delivery from the delivery record, at no additional charge.~~
- d. ~~Return Receipt for Merchandise service must be requested at the time of mailing.~~

1505.14.2 Prices

	(\$)
Per Piece (Requested at time of mailing)	4.40

Part B—Competitive Products

2110 Priority Mail

2110.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)

⊖ ~~Return Receipt for Merchandise (1505.14)~~

2115 Parcel Select

2115.5 Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)

~~○ Return Receipt for Merchandise (1505.14)~~

2135

Standard Post

2135.5

Optional Features

The following additional postal services may be available in conjunction with the product specified in this section:

- Ancillary Services (1505)

~~○ Return Receipt for Merchandise (1505.14)~~

Part C—Glossary of Terms and Conditions

3009

H

Held Mail

Mail will be held at the office of delivery for a specified period of time upon request of the addressee, unless the mail has contrary retention instructions, is perishable, or is Registered Mail, COD mail, insured mail, ~~return receipt for merchandise mail~~, Certified Mail, or Priority Mail Express for which the normal retention period expires before the end of the specified holding period.
